

TO: Members of the Board

FROM: Bruce Steadman
Executive Director and Secretary

DATE: April 19, 2017

SUBJECT: Agenda for Board Meeting of the Authority

1. **Call to Order – James V. Gorman, Chairman**
2. **Pledge of Allegiance**
3. **Notice of Public Meeting - Roll Call – Bruce Steadman, Secretary**
4. **Approval of Previous Month’s Board Meeting Minutes**
5. **Welcome – James V. Gorman, Chairman**
6. **Secretary’s Report**
7. **Treasurer’s Report**
8. **Public Comment Regarding Board Action Items**
9. **Executive Director’s Report:**
 - Update on Requests for Proposals (RFPs) and Contracts
 - Update on Requests for Offers to Purchase (RFOTPs)
 - Update on Marketing Effort
 - Action Items for Next Month
10. **Committee Reports**
 - Audit Committee – Robert Lucky, Chairman
 - Real Estate Committee – James V. Gorman, Chairman
 - Environmental Staff Advisory Committee – Kenneth J. Kloo, Chairman
 - Historical Preservation Staff Advisory Committee – Mayor Jay Coffey, Chairman
 - Housing Staff Advisory Committee – Gina Fischetti, Chairwoman
 - Veterans Staff Advisory Committee – Lillian Burry, Chairwoman



11. **Board Actions**

- a. Consideration of Approval of the Authority's Comprehensive Annual Report for 2016, as Required by Executive Order No. 37
- b. Consideration of Approval of Purchase and Sale Agreement & Redevelopment Agreement for Howard Commons in Eatontown
- c. Consideration of Approval of Use Variance for Parcel C in Tinton Falls

12. **Other Items**

13. **Public Comment Regarding any FMERA Business**

- Responses to questions submitted online or in writing

14. **Adjournment**

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

DATE: April 19, 2017

SUBJECT: Monthly Status Report

Summary

The following are brief descriptions of the Fort Monmouth Economic Revitalization Authority (FMERA) staff's monthly activities which include an Update on the 2016 Annual Report and First Quarter Financial and Operational Summary; Update on Requests for Proposals (RFPs) and Other Contracts; Update on Requests for Offers to Purchase (RFOTPs); Update on Marketing Effort; and Action Items for Next Month.

Treasurer's Report

1. First Quarter 2017 Financial and Operational Summary
FMERA staff is preparing the first quarter Financial and Operational Summary. Staff will be meeting to review the quarter and assess the quarter's performance against the 2017 organization goals.
2. 2016 Comprehensive Annual Report of the Authority
FMERA's independent accounting firm, CliftonLarsonAllen, LLP, completed the 2016 audit and reported their findings to the Audit Committee at their April 17th meeting. The auditors issued an unmodified opinion with regard to FMERA's financial statements, which is their highest opinion. The Annual Report and the audited financial statements serve as FMERA's Comprehensive Annual Report to meet the requirements of Executive Order No. 37 and the June 2012 and October 2016 Economic Development Conveyance agreements with the Army. Based on the Audit Committee's review, the Committee recommended the presentation of the 2016 Comprehensive Annual Report for Board approval at tonight's meeting.

Executive Director's Report

1. Update on RFPs and Contracts
The following is a summary of the status of RFPs and Contracts that FMERA has issued:
 - Auctioneer: The Auctioneer's Group has two auctions planned in the month of May:
 - May 13th 10:00 AM – Construction and Landscaping Equipment/Supplies

- May 20th 10:00 AM – Small-Lot Auction for the General Public

- Utilities: It has been a month of dealing with old, deteriorating utility infrastructure. We had two major water line breaks and three power issues. Our sewerage pump stations have been working hard in overload due to the significant rainfall finding its way into the sewer system. On a positive note our property management team and their stable of sub-contractors has been able to deal with all of these issues. They also completed our first round of water system flushing to keep our water system in compliance. NJ American Water is pulling together the bid documents to issue an RFP for construction of the new water system on the Main Post. They believe construction can be completed this summer. TRWRA had the RFP out for the design and engineering of the Main Post Oceanport sanitary sewer system. Proposals were due on April 17.
- Suneagles Golf Course: Our operator, Linx Golf Management reports that January had some favorable weather conditions with some limited play comparable to last year at the same time. In February, we were up 400 rounds and weather was above average. March had only 8 playing days, and we were down 1000 rounds which lead to a substantial decrease in revenue. Weather was well below average. Because we had more members take the payment plan option our overall revenue increased but only because of the two member payments. Golf course conditions are improving daily as is an increase in activity.
- Property Management/Maintenance: Our property management contractor, Chenega Operations Services (COS) has been dealing with the various utility issues mentioned above. They are now focused on shutting down utilities to buildings that are not occupied and are not planned for reuse. Flushing of the Main Post water system continues to be a priority and they have been very active repairing needed equipment and assisting the Auctioneers' Group staging for the next round of auctions.

FMERA would also like to thank the Monmouth County Public Works folks who are doing a great job relocating monuments and designing and constructing our new Monument Park across from the flag pole near the entrance to the Oceanport Ave. entrance to Rt. 537.

2. Update on RFOTPs

The following is a town-by-town summary of the status of our redevelopment projects.

In **Oceanport**, FMERA closed on the Main Post Chapel on February 27th. Triumphant Life Assembly of God Church purchased the approximately 16,372 square foot building for use as a house of worship, and opened its doors in time for Easter Sunday services. This marks the second closing in Oceanport in as many months, after FMERA closed on the Officer Housing parcels on January 13th with RPM Development. The company is renovating the 117 historic housing units, creating 68 market-rate for sale units, and 48 rental units, twenty (20%) percent of which will be available to low- and moderate-income households.

Also in Oceanport, FMERA has executed contracts on 3 parcels:

- Fitness Center, where FM Partners, LLC, is proposing to renovate and expand the facility;
- Russel Hall, the 40,000 square-foot former Garrison Headquarters building, to TetherView Property Management, LLC, a private cloud computing services company from New York; and

- Dance Hall, a 16,000 square-foot former recreation building on Brewer Avenue, to AP Development Partners, for commercial and retail uses, including entertainment and restaurant purposes.

FMERA is in negotiations for the sale and redevelopment of the following 3 properties:

- Nurses Quarters, a 24-unit residential complex on Main Street adjacent to the former Patterson Army Hospital;
- the Marina, currently approved for exclusive negotiations with AP Development Partners, LLC, and currently operating as a marina/public boat ramp and restaurant; and
- Squier Hall Complex, an approximately 31-acre site currently under negotiations with the sole bidder, that is slated for office/research, institutional/civic (including educational) and open space/recreation uses. The future developer will be required to retain Squier Hall, which is listed on the National Register of Historic Places.

On December 29th, FMERA issued two RFOTPs for the Lodging Area and Allison Hall. The Lodging Area RFOTP is seeking proposals for medium density residential, institutional/civic, and/or office/research development of the approximately 15-acre site. The Allison Hall RFOTP is seeking proposals to reuse the historic Allison Hall for a boutique hotel, as well as retail, office/research and open space/recreation uses in the approximately 13-acre parcel. Proposals that include both parcels in a comprehensive redevelopment project will receive additional points. Proposals in response to both RFOTPs are due on April 21st.

On March 8th, FMERA issued an RFOTP for Barker Circle, also in the historic district in Oceanport. The RFOTP is seeking proposals for the repurposing of all of the Barker Circle buildings for residential, office/research & development, institutional and/or health care related uses. FMERA will accept proposals that include alternate uses for the former Fire House and Kaplan Hall to include office/research & development, retail or other commercial uses, as well as a museum or arts center use in Kaplan Hall, as originally called for in the Reuse Plan. Proposals are due by June 2, 2017.

In **Eatontown**, FMERA is in the process of executing a contract with Fort Monmouth Parcel B Redevelopment, LLC, for the expanded Parcel B property, which includes up to 89 acres for a mixed-use town center along Route 35. The PSARA calls for the development of approximately 350,000 square feet of retail and other commercial space, as well as 302 housing units.

FMERA is in negotiations for the sale and redevelopment of another 2 properties in Eatontown:

- Howard Commons on Pinebrook Road, zoned for up to 275 homes and up to 15,000 square feet of retail space, where FMERA has negotiated a PSARA with the lead proposer for the Board's approval at tonight's meeting; and
- Eatontown Barracks, 6 buildings on Semaphore Avenue on an approximately 4.4-acre parcel, where FMERA received one proposal for an arts/cultural center use. FMERA is in negotiations with the proposer and expects to present a recommendation to the Board shortly.

FMERA issued an RFOTP for the Suneagles Golf Course on October 7, 2016, and received four proposals on December 7. FMERA sought proposals for a use consistent with the plan, namely reuse of the Golf Course and construction of a hotel/conference center, or for an alternate use which includes the reuse of the Golf Course and up to 75 residential units primarily within the 10-acre former Megill Housing area. An evaluation committee has scored the proposals and FMERA staff began negotiations with the lead proposer.

In **Tinton Falls**, FMERA closed on Parcel F-3 on February 23rd. The Monmouth County Park System purchased the property to develop in conjunction with the adjacent Fort Monmouth Recreation Center and Swimming Pool. The former gas station and convenience store, located along Hope Road, will allow the County to expand services and public open space amenities currently offered at the Recreation Center.

FMERA has executed contracts on another four projects in Tinton Falls:

- Parcels C and C1, with Lennar Corporation, approved for 288 residential units over the two parcels, and up to 58,000 square feet of retail development;
- Fabrications Shops (Pinebrook Road Commerce Center), 45,000 square feet of light industrial and flex office space buildings along Pinebrook Road for sale to Pinebrook Commerce Center, LLC;
- Pistol Range and Satellite Road Parcel, under contract with Kiely Realty Group for the reuse and upgrades of the former Pistol Range, and additional office and commercial uses on the combined approximately 5-acre parcel; and
- Recreation Center and Swimming Pool, under contract to the Monmouth County Park System, is currently open to the public through a lease with the County.

FMERA is in negotiations with the lead bidder for a contract related to the sale and redevelopment of the Charles Wood Fire Station, an approximately 4-acre parcel along Corregidor Road in the Tinton Falls Reuse Area.

FMERA is working with the New Jersey Economic Development Authority to evaluate options for the demolition of the Myer Center and redevelopment of the 36-acre Parcel F-1 site.

3. Marketing Update

FMERA and Cushman & Wakefield (Cushman), the Authority's Master Broker, continue to conduct several tours per week. FMERA staff was on hand to present to the New Jersey Alliance for Action's March 24th "Where the Work Is" event, which brought together government entities, redevelopers, contractors, engineers and other professionals interested in the status of redevelopment projects across the state. FMERA provided an update on the Fort's current and upcoming redevelopment opportunities.

The International Economic Development Council has designated May 8 through May 13, 2017 as National Economic Development Week. FMERA plans to observe this annual event by issuing a press release detailing the great progress made over the past year in advancing the Fort's redevelopment.

Staff has begun preparations to celebrate the Fort's 100th anniversary this June. Stay tuned for more information in the coming weeks!

Please refer to our website, www.fortmonmouthnj.com, for more information and to sign up for our monthly digital newsletters.

4. Action Items for Next Month.

- Continued work with the N.J. Department of Environmental Protection to identify and resolve environmental issues of concern
- Continued meetings and tours with interested prospective employers and investors

- Continued outreach to our stakeholders in the 3 host municipalities, the County and others
- Continued collaboration with the NJEDA Trenton Office on marketing and business development opportunities

Approved By: Bruce Steadman

Prepared by: Candice Valente

DRAFT

ADOPTED
April 19, 2017

Resolution Regarding
Approval of Fort Monmouth Economic Revitalization Authority 2016 Comprehensive Annual Report

WHEREAS, the Legislature enacted the Fort Monmouth Economic Revitalization Authority Act (Act), P.L. 2010, c. 51, to create the Fort Monmouth Economic Revitalization Authority (FMERA or Authority); and

WHEREAS, the Authority selected its independent auditors, Clifton Larson Allen, LLP, pursuant to Executive Order No. 122 (McGreevey); and

WHEREAS, the Authority's independent auditors audited and accepted the Authority's financial statements for January 1, 2016 to December 31, 2016, and issued an unmodified opinion regarding the financial statements; and

WHEREAS, pursuant to Executive Order No. 122 (McGreevey), the Audit Committee reviewed the draft Comprehensive Annual Report for January 1, 2016 to December 31, 2016 and recommends presenting the Members with the Annual Report; and

WHEREAS, pursuant to Executive Order No. 37 (Corzine) the Authority is required to submit its Comprehensive Annual Report for review from its Members.

THEREFORE, BE IT RESOLVED THAT:

1. The Members of the Authority approve the Authority's 2016 Comprehensive Annual Report and approve submitting the Report to the Governor's Authorities Unit, the State Treasurer, the Federal Audit Clearinghouse and posting it on the Authority's website.

2. The Executive Director and/or any individual authorized to execute documents pursuant to the Operating Authority is authorized to do and perform all acts necessary to effectuate the above.

3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

Dated: April 19, 2017

EXHIBIT 1

MEMORANDUM

TO: Members of the Board
FROM: Bruce Steadman
Executive Director
RE: 2016 Comprehensive Annual Report
DATE: April 19, 2017

Request

I am requesting that the Board of Members approve the Authority's 2016 Comprehensive Annual Report, as required under Executive Order No. 37 (2006).

Background

The Fort Monmouth Economic Revitalization Authority (FMERA) distributes the annual report of accomplishments and activities in support of the revitalization and redevelopment of Fort Monmouth. To meet the requirements of Executive Order No. 37 (2006), the annual report is combined with the audited financial statements and serves as FMERA's Comprehensive Annual Report for 2016.

FMERA is required to comply with Uniform Grant Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) which is intended to promote sound financial management including effective internal controls with respect to federal awards administered by state and local governments. FMERA's independent accounting firm, Clifton Larson Allen LLP ensures compliance with Uniform Grant Guidance.

In addition, per the Economic Development Conveyance (EDC) agreements with the Army, FMERA is required to submit annual financial statements to the United States Department of the Army, certified by an independent Certified Public Accountant that account for the annual gross and net revenues received by FMERA from all sales and leases, or equivalent use of Phase 1 and Phase 2 parcels and the reinvestment of EDC proceeds during the conveyance period.

The audited financial statements for the year ended December 31, 2016 were prepared by FMERA staff pursuant to Generally Accepted Accounting Principles for a government entity. The financial statements include information for operational and EDC activities. The independent accounting firm of CliftonLarsonAllen, LLP has issued an unmodified opinion with regard to the 2016 financial statements which is their highest opinion.

The certification and accompanying financial statements has been executed by the Executive Director and the Senior Finance Officer confirming that FMERA has followed its standards, procedures and internal controls.

On April 17, 2017, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2016 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit did not result in any findings of significant deficiencies or material weaknesses. Subsequent to its review of the report, the Committee recommended that the report be presented to the Board for approval.

Under Executive Order No. 37 (2006), FMERA is required to obtain approval of a comprehensive annual report from its Board of Directors. Upon approval, this report will be submitted to the Governor's Authorities Unit, the State Treasurer, the Federal Audit Clearinghouse, and posted to the FMERA website.

Recommendation

In summary, I am requesting that the Board approve the Comprehensive Annual Report for 2016 as required under Executive Order No. 37 (2006) in order to submit the report to the Governor's Authorities Unit, the State Treasurer, the Federal Audit Clearinghouse, and post to the Authority's website.

Bruce Steadman

Prepared by: Jennifer Lepore

ADOPTED
April 19, 2017

Resolution Regarding
Approval of a Purchase and Sale Agreement & Redevelopment Agreement with American Properties at Monmouth, LLC for Howard Commons in Eatontown

WHEREAS, on December 29, 2014, FMERA issued and publicly advertised a Request for Offers to Purchase (RFOTP) with a response date of July 10, 2015, in connection with the planned redevelopment of Howard Commons in Eatontown; and

WHEREAS, Howard Commons is an approximately 64-acre parcel located in the Eatontown Reuse Area, containing 486 townhouse units and a 3,853-square foot general purpose building, all slated for demolition in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan), and their replacement with 275 dwelling units and approximately 15,000 square feet of ancillary retail/commercial space; and

WHEREAS, FMERA received three proposals for Howard Commons, with two proposers offering multiple development scenarios; the proposals were scored independently by an evaluation committee, and American Properties at Monmouth (American Properties) received the highest score and submitted the highest price proposal; and

WHEREAS, American Properties proposed approximately 15,000 square feet of retail, in conjunction with 251 residential units, twenty (20%) percent of which will be affordable to low- and moderate-income households; and

WHEREAS, the terms of the proposed PSARA include American Properties' payment of \$5.9 million for the 63-acre property; closing will occur within 60 days of satisfaction of the conditions precedent to closing, which include: American Properties obtaining all approvals necessary to develop the project; receipt of a final remediation document from either the New Jersey Department of Environmental Protection or purchaser's Licensed Site Remediation Professional; an amendment to the Reuse Plan to accommodate the project; and the consent of the NJEDA Board of American Properties as redeveloper; and

WHEREAS, the project will consist of up to 200 owner-occupied single family detached residential units and the remainder will constitute the required 20% affordable housing units (for sale or for rent, at American Properties' option); and

WHEREAS, American Properties shall build 20 of the affordable housing units as permanent supportive housing based on FMERA's Legally Binding Agreement for conveyance to the Affordable Housing Alliance and, at its discretion, American Properties may elect not to build the retail component and devote that portion of the site to housing or open space use; and

WHEREAS, the Real Estate Committee has reviewed the proposed PSARA and recommends Board approval.

THEREFORE, BE IT RESOLVED THAT:

1. The Authority approves the selection of American Properties at Monmouth, LLC, as the purchaser of Howard Commons in Eatontown pursuant to the December 29, 2014 Requests for Offers to Purchase (RFOTP), on terms substantially consistent to those set forth in the attached memorandum and the attached Purchase and Sale Agreement and Redevelopment Agreement (PSARA) and with final terms acceptable to the Executive Director and the Attorney General's Office, and authorizes the Executive Director to execute the PSARA and take any necessary actions to effectuate the selection of American Properties at Monmouth as the purchaser.

2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

ATTACHMENT
Dated: April 19, 2017

EXHIBIT 2

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Authorization to enter into a Purchase and Sale & Redevelopment Agreement with American Properties at Monmouth, LLC for Howard Commons in Eatontown

DATE: April 19, 2017

Request

I am requesting that the Members of the Board authorize FMERA staff to enter into a Purchase and Sale & Redevelopment Agreement (“PSARA”) with American Properties at Monmouth, LLC (“American Properties”), for Howard Commons in the Eatontown section of Fort Monmouth.

Background

FMERA previously issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of Howard Commons in Eatontown on December 12, 2012. Howard Commons is a 63.67-acre tract on Pinebrook Road in the Fort’s Charles Wood Area. The property is currently improved with 486 townhouse units constructed by the Army in 1953, along with a 3,853 sf general purpose building. The Army phased out the use of the townhouses in the years leading up to the Fort’s 2011 closure. The Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) calls for the demolition of the existing improvements due to their age, condition, density and design, and their replacement with 275 dwelling units and approximately 15,000 sf of ancillary retail/commercial space. Howard Commons is a Phase One property in FMERA’s June 25, 2012 Economic Development Conveyance Agreement (“EDC Agreement”) with the Army. Title to the 63.67 acre tract was transferred to FMERA in June 2014.

In the first RFOTP round, proposals were received from six entities. Following Board approval of a Purchase and Sale & Redevelopment Agreement (“PSARA”) at the January 2014 meeting, FMERA and the selected bidder, HovWest, executed the PSARA on May 19, 2014. The PSARA provided HovWest a seventy-five (75) day period following execution of the agreement to perform pre-acquisition due diligence investigations on the property. By letter dated July 15, 2014, HovWest notified FMERA that it would require a purchase price reduction and an extension of the due diligence period, as the developer had encountered higher than anticipated ground water on the site that would require modifications to their proposed development plan. FMERA agreed to extend the due diligence period but withheld comment on HovWest’s request for a price

reduction, calling for HovWest to submit its due diligence findings and any price adjustment requests at the end of the extended due diligence period. HovWest did not agree to this arrangement, and by letter dated July 22, 2014, the developer notified FMERA that it was exercising its right under the PSARA to terminate the agreement.

In December 2014, the Board authorized staff to issue a new RFOTP, and on December 29, 2014 FMERA issued the second RFOTP for Howard Commons. The RFOTP was advertised in the Asbury Park Press and the Star Ledger, and posted to the FMERA, New Jersey Economic Development Authority (“NJEDA”) and New Jersey State Business Portal websites. Proposals were due on July 10, 2015 and proposals were received from three (3) entities, with two (2) of the proposers offering multiple scenarios for development, as permitted by the RFOTP. The proposals were received from American Properties at Monmouth, LLC, HovWest, and US Home Corporation, d/b/a Lennar.

An Evaluation Committee consisting of three FMERA staff members and one Army representative independently scored the proposals, and then met as a team to rank the responses in accordance with the Authority’s Sales Rules. American Properties at Monmouth, LLC, a newly-formed single purpose limited liability company, received the highest score and submitted the highest price proposal.

As part of their analysis, the Evaluation Committee reviewed the American Properties’ proposal for compliance with the Reuse Plan. However, the RFOTP noted that offers proposing an alternative, predominantly residential proposal would be considered. American Properties proposed approximately 15,000 square feet of retail, in conjunction with 251 residential units. 200 units will be owner-occupied single family detached residences and the remainder would constitute the required 20% affordable housing units (for sale or for rent, at American Properties’ option). FMERA will need to seek a Reuse Plan amendment to address American Properties’ intended use (i.e. single family detached housing). Approval of a Reuse Plan amendment will be the sole discretion of the FMERA Board.

Background on American Properties Realty, LLC and the Redevelopment Entity

American Properties at Monmouth, LLC’s managing company, American Properties Realty, Inc., is a diversified real estate and development company with substantial demonstrated experience over the past 45 years. Led by its chairman, Allen Weingarten, and its president, Randy Csik, the firm is headquartered in Woodbridge, NJ. The company’s core business is the development of residential communities in New Jersey. American Property Realty, Inc. and its affiliated companies have developed over 12,000 homes ranging from luxury single family estates to master planned communities of apartments, condominiums, town homes and single family homes, to mixed use development and redevelopment projects including office, retail, hotel and residential uses. This includes a substantial amount of least cost and COAH compliant inclusionary developments. Financing commitments over the past 36 months have totaled over \$70 million, and combined annual revenues are in excess of \$60 million. American Properties anticipates funding the Howard Commons project with debt and equity through its long-term relationship lenders as well as private equity from American Properties’ principals and affiliated investors.

Purchase and Sale & Redevelopment Agreement

FMERA staff is pleased to report that negotiations with American Properties have resulted in the following terms. American Properties will pay \$5.9 million for the 63-acre property. Pursuant to our EDC Agreement with the Army, FMERA will receive 37% of the net sale proceeds from the property, with the Army receiving the remainder. Closing will occur within 60 days of satisfaction of the conditions precedent to closing, which include: American Properties obtaining all approvals necessary to develop the project; receipt of a final remediation document from either the New Jersey Department of Environmental Protection or American Properties' Licensed Site Remediation Professional to establish Innocent Purchaser status; an amendment to the Reuse Plan to accommodate the project; and the consent of the NJEDA Board. The parties will endeavor to complete the Reuse Plan amendment within approximately six (6) months of PSARA execution. American Properties shall have 30 days to submit applications for initial approvals upon PSARA execution, and eighteen (18) months from submission date to obtain all approvals. This period may be extended for two (2) additional six (2) month periods if American Properties has not obtained them within the initial timeframe so long as American Properties is pursuing approvals diligently. FMERA will convey the property to American Properties in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property.

The project will consist of approximately 251 residential units and up to 15,000 sf of retail space. Up to 200 units will be owner-occupied single family detached residences and the remainder will constitute the required 20% affordable housing units (for sale or for rent, at American Properties' option). American Properties shall build 20 units as permanent supportive housing based on FMERA's Legally Binding Agreement ("LBA") for conveyance to the Affordable Housing Alliance, which American Properties shall be able to include as part of its affordable housing if the permanent supportive housing otherwise qualifies as affordable housing. The development will feature open space, pedestrian friendly trails, landscaping and improved streetscapes, and provide connectivity to the town's adjacent sports fields. At its discretion, American Properties may elect not to build the retail component and devote that portion of the site to housing or open space use. If American Properties is not able to build a total of 200 market-rate units at the Property for reasons beyond American Properties' control (for example, due to wetlands or floodplain constraints), then the Purchase Price will be reduced as follows: For the first five (5) units that cannot be built, the Purchase Price will be reduced by \$45,000 per unit, and for the next five units that cannot be built, the Purchase Price will be reduced by \$60,000 per unit. Any such price reduction will not exceed \$525,000. Regardless of any possible reduction in the number of single family detached homes constructed, American Properties will be obligated to build 20% of the overall units as affordable homes, including up to twenty (20) units of permanent supportive housing.

American Properties is committing to create a total of 28 permanent jobs at the Property within five (5) years of closing, or 13 permanent jobs if it does not construct the retail component. American Properties will secure its job creation obligation by posting a promissory note in the amount of \$1,500 per required job.

American Properties will commence demolition and construction within sixty (60) days of closing. Construction of the project will proceed in phases and be completed within 60 months after completion of demolition and site work. FMERA will have a right to repurchase the property if construction is not timely commenced or completed.

American Properties will pay the cost to construct on-site water and sewer mains required to provide service to the property. The developer is also responsible to establish all service connections for utilities to the parcel.

Based on the redevelopment provisions of the PSARA between FMERA and American Properties, FMERA staff concludes that the essential elements of a redevelopment agreement between FMERA and American Properties are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with American Properties for its development of Howard Commons. Attached is a substantially final form of PSARA. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

The Real Estate Committee has reviewed the request and recommends Board approval to enter into a PSARA with American Properties for Howard Commons.

Recommendation

In summary, I am requesting that the Members of the Board authorize FMERA staff to enter into a Purchase and Sale & Redevelopment Agreement ("PSARA") with American Properties at Monmouth, LLC, for Howard Commons in the Eatontown section of Fort Monmouth.

Bruce Steadman
Executive Director

Prepared by: Kara Kopach & David Nuse

ADOPTED
April 19, 2017

Resolution Regarding
Application for Use-Type Variance at Parcel C in Tinton Falls

WHEREAS, the FMERA Act, N.J.S.A. 52:27I-34(e), and the FMERA Land Use Rules, in N.J.A.C. 19:31C-3.21(b), grant FMERA sole and exclusive jurisdiction to grant certain use-type variances from the requirements of the Reuse Plan and Land Use Rules; and

WHEREAS, an application for use-type variances in relation to the development of Parcel C was submitted by Lennar Corporation, the contracted purchaser of Parcels C and C1 in Tinton Falls; and

WHEREAS, pursuant to the Land Use Rules, a public hearing was noticed and held at the FMERA offices on December 21, 2016; and

WHEREAS, a Variance Hearing Officer prepared a report based on the evidence presented and transcripts of the hearing, which includes the Hearing Officer's recommendations to the Board, which were presented to the Board in January 2016; and

WHEREAS, the Variance Hearing Officer recommended that the Application for use-type variance approval pursuant to N.J.A.C. 19:31C-3.21(b)(1)(i) for the addition of an accessory drive-thru to an approved restaurant or cafe and a height variance for townhouses pursuant to N.J.A.C. 19:31C-3.21(b)(1)(v) be approved. However, the hearing officer recommended that the drive-thru variance pursuant to N.J.A.C. 19:31C-3.21(b)(1)(i) be limited to a café/coffee shop uses only and to continue the prohibition of an accessory drive-thru for any other restaurant; and

WHEREAS, the FMERA Board approved the Variance Hearing Officer's recommendations and staff published notice of the Board's actions, pursuant to the Land Use Rules; and

WHEREAS, on February 2, 2017, staff received a letter from Lennar appealing the Board's decision to not grant the use-type variance request related to the Floor Area Ratio (FAR) for a 1.25-acre non-residential portion of land proposed for subdivision on Parcel C; and

WHEREAS, on March 6, 2017, the Applicant was notified via email and Certified Mail that an Appeal Hearing Officer was selected for the appeal and that Officer would have sole discretion to determine if an in-person hearing would be necessary to reach an informed decision on this matter; and

WHEREAS, the Appeal Hearing Officer determined that no in-person hearing was necessary and recommends that the Application for use-type variance approval pursuant to 19:31C-3.21(b)(1)(iv) for a 0.35 FAR on a proposed future 1.25-acre parcel be approved, with approval conditioned on assurances in writing from the Applicant that there will be cross-access

easements in place that may be required in the case of internal subdivision with diverse owners so that each lot has driveway access and sufficient parking; and

WHEREAS, the attached report includes the determinations made by the Appeal Hearing Officer to reach his recommendations in detail; and

WHEREAS, FMERA staff has reviewed the report and recommends Board approval of the recommendations.

THEREFORE, BE IT RESOLVED THAT:

1. For the reasons articulated in the Appeal Hearing Officer's report and based on the evidence and transcript of the hearing, the Authority adopts the Appeal Hearing Officer's findings of fact contained in the attached report for the use-type variance application submitted by Lennar Corporation for Parcel C in Tinton Falls and incorporates and memorializes the findings of fact as if recited here.

2. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval, unless during such 10-day period the Governor of the State of New Jersey shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

ATTACHMENT

Dated: April 19, 2017

EXHIBIT 3

MEMORANDUM

TO: Members of the Board

FROM: Bruce Steadman
Executive Director

RE: Transmittal of Hearing Officer Recommendation for Appeal of Use-Type
Variance related to Floor Area Ratio for Parcel C in Tinton Falls

DATE: April 19, 2017

Request

I am requesting that the Board of Members approve the recommendations set forth in the report prepared by the public hearing officer in relation to the application for a use-type variance submitted by the applicant for Parcel C in Tinton Falls.

Background

The Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan) serves as the Plan for the redevelopment and revitalization of Fort Monmouth to be implemented by FMERA. FMERA's Land Use Rules, subsequently adopted in 2013, N.J.A.C. 19:31C-3 *et seq.* (Land Use Rules), grant the Authority the "sole and exclusive jurisdiction to grant, for special reasons shown, a variance from the requirements of the Reuse Plan or this subchapter to permit" specific use-type variances. In accordance with the Land Use Rules, prior to the Board approving a use-type variance, a public hearing must be held for the applicant to present evidence that granting of the variance will not substantially impair the intent and purpose of the Reuse Plan and the Land Use Rules, and that the variance can be granted without substantial detriment to the public good.

An application for use-type variances was submitted by Lennar Corporation (Lennar, or the Applicant), the contracted purchaser of Parcel C in Tinton Falls. Pursuant to the Land Use Rules, a public hearing was noticed and held at the FMERA offices on December 21, 2016. A Variance Hearing Officer prepared a report based on the evidence presented and transcripts of the hearing, and recommended the following, which was approved by the Board at its January 2017 meeting: (a) to permit a restaurant or café with an accessory drive-thru where drive-thru restaurants are prohibited pursuant to N.J.A.C. 19:31C-3.4(a)(1)(iii); and (b) to permit the height of the proposed townhouses to be three (3) stories/ forty two (42) feet, where a maximum height of two and a half (2.5) stories/ thirty five (35) feet is permitted pursuant to N.J.A.C. 19:31C-3.5(c)(2)(i).

The Applicant submitted a request for a approval of a use-type variance pursuant to 19:31C-3.21(b)(1)(iv) to permit floor area ratio (FAR) of .35 for a 1.25 acre of land in the 40-acre parcel



proposed to be subdivided from such parcel at a later date and which exceeds both the FAR permitted in the Tech Office/R&D Campus and Town Center development districts. This request was not approved. Based on the evidence and testimony provided, the Variance Hearing Officer found that the FAR for the entire 40-acre parcel is compliant with the Reuse Plan and Land Use Rules and therefore a use-type variance is not required for a Parcel wide plan.

On February 2, 2017, Bruce Steadman, Executive Director of FMERA, received via e-mail and Certified Mail, an Appeal letter from the Applicant stating that they satisfied the burden of proof as to the FAR variance at the December 21, 2016 hearing and requesting that the Authority grant their appeal thereby granting the requested FAR variance. The Applicant also requested an in-person hearing. On March 6, 2017, the Applicant was notified via email and Certified Mail that Rick Harrison was assigned the duty of Appeal Hearing Officer for the appeal and further indicated that he would have sole discretion to determine if an in-person hearing would be necessary to reach an informed decision on this matter.

The Appeal Hearing Officer determined that no in-person hearing was necessary and recommends that the Application for use-type variance approval pursuant to 19:31C-3.21(b)(1)(iv) for a 0.35 FAR on a proposed future 1.25-acre parcel be approved. However, the Appeal Hearing Officer recommends that the granting of this variance be conditioned on assurances in writing from the Applicant that there will be cross-access easements in place that may be required in the case of internal subdivision with diverse owners so that each lot has driveway access and sufficient parking.

After review of the Appeal Hearing Officer's report, FMERA staff is in agreement with the Appeal Hearing Officer's recommendations.

The attached report provides the determinations made by the Hearing Officer to reach his recommendation in detail.

Recommendation

I am requesting that the Board of Members approve the recommendations set forth in the report prepared by the Hearing Officer in relation to the application for a use-type variance submitted by the applicant for Parcel C in Tinton Falls, with the addition described above.

Bruce Steadman

Prepared by: Candice Valente